

**COFNODION Y CYFARFOD PWYLLGOR ARCHWILIO A SICRWYDD RISG  
CYMERADWYO  
APPROVED MINUTES OF THE AUDIT AND RISK ASSURANCE COMMITTEE MEETING**

Date of Meeting: **01:30pm, Tuesday 09 July 2024**  
Venue: **Microsoft Teams Meeting / Ystwyth Boardroom**

**Present:** Cllr. Rhodri Evans (Chair and Independent Member)  
Mrs Eleanor Marks (Hywel Dda UHB - HDUHB Vice Chair)  
Mr Maynard Davies (Hywel Dda UHB - Independent Member)  
Mr Michael Imperato (Hywel Dda UHB - Independent Board Member)

**In Attendance:** Mr Timothy John (Senior Finance Business Partner (Accounting & Statutory Reporting))  
Prof Philip Kloer (Hywel Dda UHB - Interim Chief Executive)  
Mr Huw Thomas (Hywel Dda UHB - Director of Finance)  
Mrs Joanne Wilson (Hywel Dda UHB - Director of Corporate Governance/Board Secretary)  
Mr James Johns (NWSSP - Internal Audit)  
Ms Rhian Davies (Hywel Dda Health Board - Assistant Director of Finance - Financial Planning & Statutory Reporting)  
Mr Anthony Veale (Audit Wales)  
Ms Kate Gannon (Hywel Dda UHB - Committee Services Officer)

<b>Minutes Ref.</b>	<b>Item</b>	<b>Action</b>
<b>ARAC(24) 125</b>	<b>Introductions</b>  The Chair introduced everyone to the Extraordinary Audit and Risk Assurance Committee to review and approve the end of year accounts and annual report.	
<b>ARAC(24) 126</b>	<b>Apologies</b>  Apologies were received from Mr Winston Weir.	
<b>ARAC(24) 127</b>	<b>Declaration of Interests</b>  There were no declarations of interest to report.	

## **Year-end Governance**

### **ARAC(24) ARAC Annual Report 2023/24 128**

The Chair introduced the ARAC Annual Report 2023/24 and thanked the team for all their hard work as well as Committee members, internal audit and Audit Wales for their ongoing support and engagement.

The Committee were happy to **APPROVE** the final ARAC Annual Report 2023/24 for onward submission to Board on 11 July 2024.

### **ARAC(24) HDdUHB Annual Report 2023/24 129**

Mr Phil Kloer and Mr Huw Thomas both thanked all involved in producing the annual report recognising a significant amount of hard work has gone into producing these documents. Thanks, were particularly shown to Mrs Price in the Performance team and Mrs Hancock in the communications team.

In relation to the Performance Report, Mr Huw Thomas acknowledged that whilst there were a number of successes achieved during the year that the Health Board can be proud of there are many areas where patients are still waiting too long for care and that must be acknowledged and understood too.

Mrs Jo Wilson introduced the Accountability Report to Members and wanted to express her thanks to Ms Charlotte Wilmshurst for all her hard work. Thanks, were also afforded to Internal Audit, Audit Wales and Welsh Government for the prompt feedback s to enable the health board to meet the required timescales.

Mr Maynard Davies asked for assurance whether the Welsh version of the reports have been proof-read by the Translation Team. Mrs Jo Wilson confirmed that they have been through the Communications and Welsh Translation Team prior to publishing.

Mrs Jo Wilson confirmed that Judith Hardisty the previous Chair had fully reviewed all documents prior to the end of her tenure as Chair (on page 229 of the meeting book) Neil Wooding's name (as the new Chair) will be replaced as an amendment for the final reports to Board.

**JW**

Mr M Davies asked whether there should be an amendment on page 340 to provide more clarification on the 'Interim Deputy Chief Executive' interim date and when the individual took on the additional responsibility. Further clarity was also required in relation to the date the interim Chief Executive became the Accountable Officer. Mrs Jo Wilson took an action to amend the wording to provide further clarity prior to the final version being approved by Board.

**JW**

Mrs Eleanor Marks asked whether a photograph could be added of the Associate Member, Jeremy Hockridge. Mrs Wilson noted the Health Board

did not have a photograph and would therefore be unable to take this action forward.

The Chair asked the Interim Chief Executive to provide assurance that the Accountability Report is a true and fair reflection of the work undertaken during the last year on the systems of governance within the health board. Mr P Kloer confirmed his assurance in respect of this matter.

**Decision:**

The Committee **TOOK ASSURANCE** that a robust governance process was enacted during the year and (subject to the amendments requested) the Committee **APPROVED** the HDdUHB Annual Report 2023/24 for onward submission to the Board, prior to its submission to the Welsh Government, via Audit Wales, by 15 July 2024, and its subsequent presentation at the Annual General Meeting on 26 September 2024.

**ARAC(24) Final Accounts for 2023/24**  
**130**

Mr Huw Thomas introduced the Final Draft Accounts for 2023/24 to the Committee.

Last year was an extremely challenging financial year and a process of replanning had to be undertaken halfway through the year. The financial position at year end was in excess of the target control total by just over £20 million pounds. The Health Board is grateful to Welsh Government for ensuring the Health Board can continue to operate.

The Health Board has gone through a rigorous audit process with Audit Wales and have been open and transparent in relation to the challenges.

Mr Thomas took the opportunity to thank Mrs Wilson and the wider Corporate Governance Team for their support as well as colleagues in the Communications Team and Finance colleagues for their contributions over the year. He also paid particular thanks to finance colleagues for preparing a set of accounts. This is representative of the challenges across the organisation and while the deficit is not acceptable, it could have been more challenging if it wasn't for the support from colleagues in other departments across the health board who supported the delivery of cost savings that were achieved.

Ms Rhian Davies highlighted a few points from the report which was taken as read. Following the audit there were no changes in overall performance and no changes required to the bottom line.

Ms Rhian Davies summarised some of the areas praised by Audit Wales (Page 86 of the report):

- The Related Parties (Note 30) amended for late change to balances within Velindre NHS Trust, however these did not affect the bottom line. They were more of a presentational issue.
- Inclusion of monies owed by and to the health board charities was omitted from the draft accounts. These were included this year.
- Events after the reporting date were amended for disclosure in respect of the 2023/24 Pay Award agreements for junior

doctors, SAS doctors and consultants. (Notified on 28 June 2024)

One recommendation was made in relation to stock, particularly theatre stock. This will be addressed this with the roll out of Scan for Safety and manually before then if not fully achieved in time for next year's accounts submission.

Mr Maynard Davies asked whether the pay rises will be backdated in this years' accounts or 2024/25 accounts? Rhian confirmed that these will be included in 2024/25 accounts. Mr Huw Thomas clarified that regarding the pay award the liability falls in financial year 24/25 rather than in 23/24 financial year due to the timing of when the health board was notified.

Mr Maynard Davies asked for clarification on page 87 relating to adjustments; income from Velindre. NHS Trust recognising the Health Board accounted for 7.2 million in the draft accounts and 6.2 million in the final accounts which leaves a discrepancy of £1m Mrs Davies clarified this was due to this had been accounted for in the main part of the accounts and hadn't adjusted note 30 as this was a late adjustment.

The Chair thanked Mr Thomas and Mrs Davies and their respective teams for their hard work in producing the final accounts.

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### **Audit Wales ISA 260 and Letter of Representation**

Mr Antony Veale presented the Audit Wales ISA 260 and Letter of Representation.

preparing the accounts requires significant hard work and project planning. The Audit of the Accounts is a partnership and thanks were afforded to the finance and corporate governance team for their contributions.

Mr Veale commended Finance colleagues in the Health Board and their co-operation.

Mr David Williams from Audit Wales gave an overview of the report to the Committee which summarises the findings from their audit of the 2023/24 annual accounts. All work has been completed.

Page 9 of the report confirms the view that in undertaking the work Audit Wales have complied with all ethical standards. The report has been discussed with the Finance Team. Mr Williams explained Audit Wales are proposing an opinion of 'unqualified true and fair' but a qualified regularity opinion on the accounts. The audit opinion in respect of the regularity of expenditure is qualified because the Health Board did not meet its revenue allocation over the three year period ending 31 March 2024 and therefore did not meet its statutory duties relating to finance and planning.

There are no uncorrected misstatements above the trivial level (£0.669m) but lower than materiality (£13.387m).

During the audit, misstatements that have been corrected during the audit are highlighted within the report (set out in Appendix 3). One issue to be brought to the attention of the Committee is in relation to the inventory balances and stock checks. This relates to the one recommendation (set out in Appendix 4).

EM noted that on page 57 is a date noted as XX – Anthony Veale clarified that this will be completed and updated before the Board meeting. This was due to including the Audit Opinion which is incorporated into the Financial Statements. It was noted this action had already been completed in the version included within the Board papers.

The Chair suggested that the implementation for the recommendation in Appendix 4 to be achieved by Quarter 4 2024/25 to be added to the Audit Tracker.

**JW**

**Decision:**

The Committee were happy to **APPROVE** the accounts.

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**Any Other Business**

There was no other business to discuss on this occasion.

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**Date and Time of Next Meeting**

Tuesday 13 August 2024, 9:30am - 1:00pm (Routine Meeting)